

# PEIA/RHBT FINANCE BOARD

## PUBLIC HEARING PRESENTATION

NOVEMBER 2014

**Recommending Potential  
Plan Changes**



# Introduction of Finance Board and PEIA Staff Members Present

Jason Pizatella, Chairman  
Brian Donat, Member  
James W. Dailey, II, Member  
Troy Giatras, Member  
Elaine Harris, Member  
William “Bill” Ihlenfeld, Member  
William “Bill” Milam, Member  
Michael T. Smith, Member  
Joshua Sword, Member



# The BIG Picture

- Healthy, Involved Employees
  - Less Sick Time
  - More Productivity
  - Better Lifestyles
  - Better Family Time



---

# **Wellness Concepts -**

## ***What the Members Want***

- 18,000 members told us their priorities:
  - Access to affordable fruits and vegetables
  - Fitness services
  - Stress management
  - Technological tools

# Wellness Concepts -

## *Our Response*

- We have just launched farmers markets at worksites which will expand over the coming year
- We created the fitness discount program
- We are offering stress management classes via Marshall University and WVU Extension
- We are providing fitness classes at worksites including zumba, yoga, boot camp, pilates
- We are providing lifestyle coaching
- We will be launching the “My Pathways to Wellness” website



[Jen](#) | [Dashboard](#) | [Logout](#)

[My Health](#) | [My Logs](#) | [Workshops](#) | [Nutrition](#) | [Exercise](#) | [Events](#) | [Incentives](#) | [Health Resources](#) | [Contact Us](#)






[New User Guide](#)


Have a question? [Click here for the New User Guide!](#)



[See Your Past Challenges](#)

[Resources](#)

[Quizzes](#)

[Drink 8 to Hydrate!](#)



Today: 0 Cups

+ -

[Strive for 5!](#)


[Register Your Mobile Device](#)

With Wellness Advocate on the Go!


[My Goals](#)

Wellness Score

Goal

Weight

Goal

Calories

Goal

Steps

Goal



1

[2014 Health & Wellness Observances](#)




National Breast Cancer Awareness Month

[Upcoming Events](#)

Name	Dates
...	...


[Get Started](#)


---

# Healthcare Bluebook

- Wonderful transparency tool for cost comparison
- Pricing and quality data is now available to consumers

# Healthcare Bluebook




West Virginia  
**Public Employees Insurance Agency**

Hospital ▾Physician ▾X-ray, Imaging ▾Labs ▾Medications ▾Resources

Home / Search results for knee near 25401

Results are personalized to 25401



HealthSmart Mobile Code

Using the mobile app? Enter this code:

**Knee Arthroscopy**

Total: ⓘ

Fair Price: \$2,892

\$1,304\$11,415

⌵ Fair Price Details

Facility:

\$561\$1,925\$9,253

Physician:

\$532\$616\$1,049

Anesthesia:

\$211\$351\$1,113

PEIA Public Hearing Presentation – November 2014

8
















# Healthcare Bluebook

## Provider Listing

You may wish to consider the following providers. Providers can and do change network status regularly. Before seeking treatment we recommend that you call the provider to verify they are currently in your network and their current price. Healthcare Bluebook does not guarantee provider prices.

Service: Knee Arthroscopy  
Fair Price: \$2,892

 At or Below Fair Price  
 Slightly Above Fair Price  
 Highest Price

Facilities	Rating
Surgeons' Surgical Center (~ 44 miles)	
Tri-State Surgical Center (same zip)	
Berkeley Medical Center (same zip)	
Martinsburg VAMC (~ 4 miles)	
Surgi-Center of Winchester (~ 23 miles)	
Western Maryland Health System (~ 44 miles)	
Jefferson Medical Center (~ 12 miles)	
Grant Memorial Hospital (~ 71 miles)	
Winchester Medical Center (~ 23 miles)	
SurgCenter of Western Maryland (~ 44 miles)	

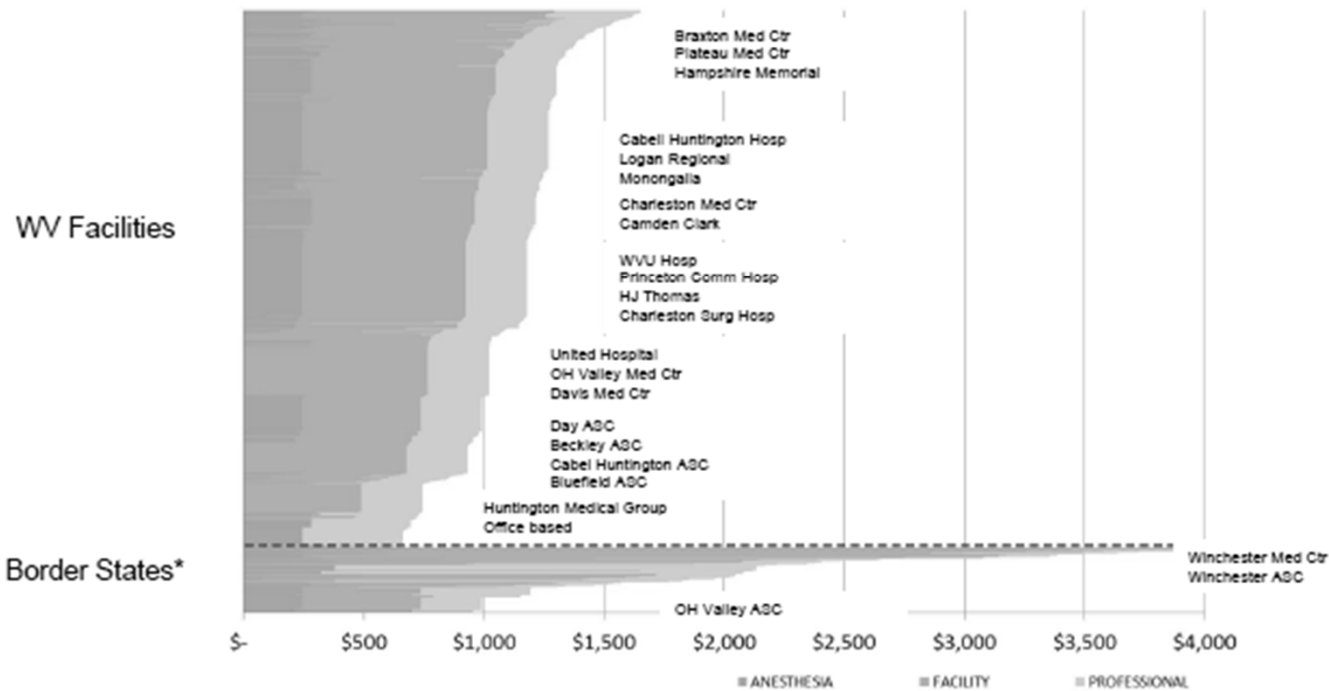
For help finding a Fair Price provider call Healthcare Bluebook at 800-341-0504 or email [pricefinder@healthcarebluebook.com](mailto:pricefinder@healthcarebluebook.com).

---

# Reference Based Pricing

- Evaluated actual costs of numerous procedures
- Set a maximum price reimbursement
- Incentive for patients to choose wisely

# Colonoscopy (no biopsy)

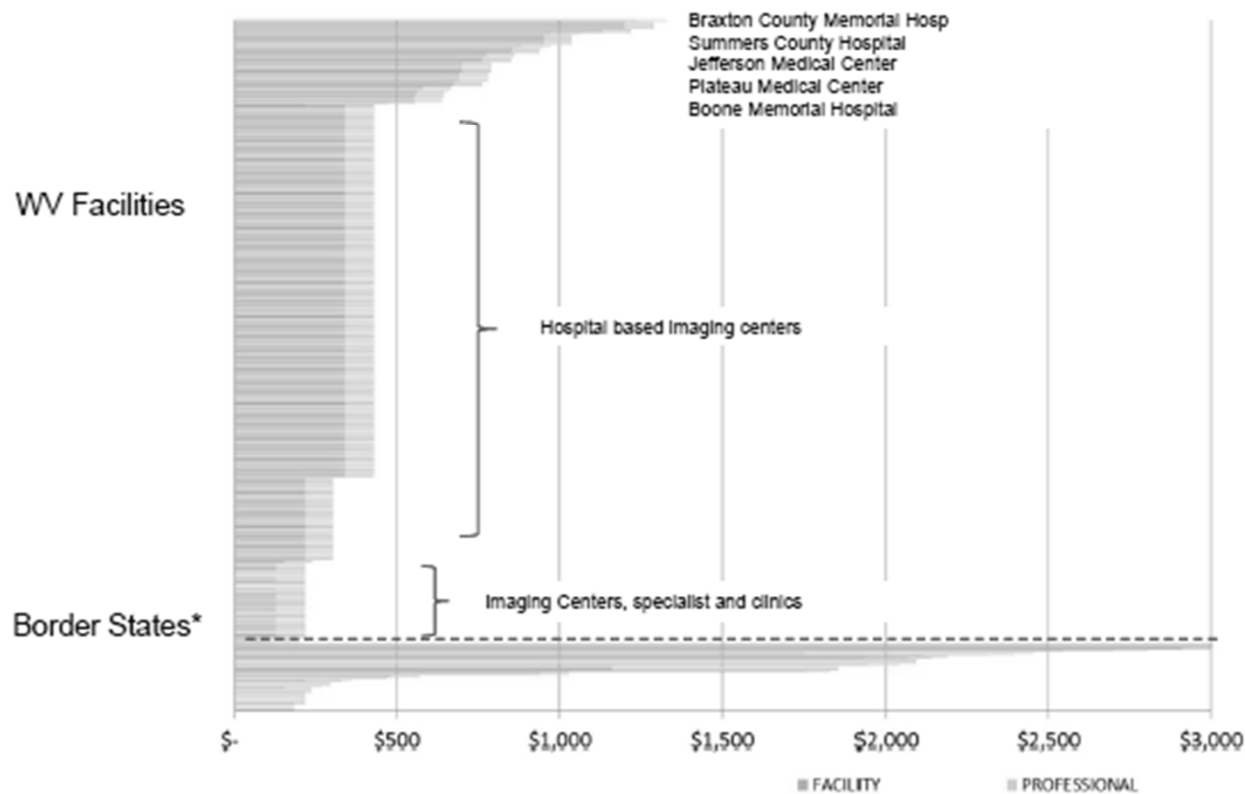


Healthcare Bluebook

\*Facilities in MD, VA, OH, PA, KY

4

## CT Abdomen and Pelvis (no contrast)



Healthcare **Bluebook**

\*Facilities in MD, VA, OH, PA, KY

8

# Reference Based Pricing - Summary Recommendation

(Non-Medicare Employees and Retirees Only)

- Reference Based Pricing applies to people living in West Virginia and bordering counties ONLY
- Opportunity to save \$2.4M by Reference Pricing the 34 targeted procedures in the WV border counties
- Member exception process to include:
  - Urgent / emergent
  - Treatment related to oncology
  - Members >50 miles from providers at or below the Reference Price

## Reference Based Pricing – Procedure Detail



PROCEDURE	REFERENCE PRICE
Colonoscopy (no biopsy)	\$1,033
Colonoscopy (with biopsy)	\$1,179
Upper Gastrointestinal Endoscopy (no biopsy)	\$918
Upper Gastrointestinal Endoscopy (with biopsy)	\$955
Transthoracic Echocardiogram (TTE)	\$171
Heart Perfusion Imaging	\$725
Sleep Study	\$781
Cataract Surgery	\$2,116
Cholecystectomy (laparoscopic)	\$5,588
Complex Ear Drum Repair (Tympanoplasty)	\$5,400
Ear Tube Placement (Tympanostomy)	\$2,400
Hernia Repair - Laparoscopic (inguinal, umbilical, or ventral)	\$5,800
Hernia Repair (inguinal, umbilical, or ventral)	\$4,000
Lithotripsy	\$4,220
Nasal Septum Repair	\$5,100
Tonsillectomy	\$2,696

Healthcare **Bluebook**

3

## Reference Based Pricing – Procedure Detail (continued)



PROCEDURE	REFERENCE PRICE
Appendectomy (laparoscopic)	\$5,750
Breast Biopsy (with stereotactic or ultrasound guidance)	\$1,019
Excise Lesions (laparoscopic)	\$5,135
Hysteroscopy (lesion removal or tubal ligation)	\$3,935
Hysteroscopy (with biopsy)	\$2,718
Laparoscopic Hysterectomy	\$6,200
Vaginal Hysterectomy	\$4,800
Vaginal Delivery	\$4,500
Cesarean Section	\$5,800
Anterior Cruciate Ligament Knee Surgery (ACL)	\$9,800
Carpal Tunnel Surgery	\$1,965
Knee Arthroscopy	\$3,300
Rotator Cuff Repair (non-arthroscopic)	\$5,800
Spinal Fusion (lumbar)	\$19,550
Total Hip Replacement	\$9,691
Total Knee Replacement	\$9,644
All MRI	Multiple*
All CT	Multiple*
*Reference price set by image type	

Healthcare **Bluebook**

4

# Choosing Wisely

- **60 provider organizations have identified more than 270 low-value procedures, tests and drugs**
- **For example, don't take antibiotics for colds, sinus infections, and other viral infections**
- **For a complete list of these physician selected, evidence-based low value procedures see [www.choosingwisely.org](http://www.choosingwisely.org)**



---

# **Mountaineer Flexible Benefits**

## **New Dental Option**

- 2 cleanings
- X-rays
- Sealants for children

# Surviving Dependents

- No change to current surviving dependents
- Effective July 1, 2015 Proposal
  - Surviving Dependents can continue coverage at current years of service. Premium rates will be based on the policyholder's years of service at time of death.
  - Remember Surviving Dependent Coverage Terminates
    - For spouses at marriage
    - For dependent children at age 26

# New Specialty Pharmacy Benefit

(Non-Medicare Employees and Retirees Only)

- Soliciting bids for design and management of a new stand alone specialty pharmacy benefit
- Potential drug specific deductibles
- Separate copays/coinsurance
- Separate out-of-pocket maximum
- Goals:
  - Maximize member assistance programs
  - Maximize manufacturer rebates
  - Best pricing of drugs through competitive bidding
  - Comprehensive pharmacy and medical management

---

# Healthy Tomorrows

(Non-Medicare Employees and Retirees Only)

- Three Year Program
- Status reported at Open Enrollment ONLY
- Take charge of your life
- Active employees ONLY

# Healthy Tomorrows (continued)

(Non-Medicare Employees and Retirees Only)

<b>YEAR 1</b>
Single or Family coverage (all coverage tiers)
Applies to policyholder ONLY
Open Enrollment ONLY Selection <ul style="list-style-type: none"><li>• April 1 – May 15, 2015</li></ul>
Benefit will be for Plan Year 2016

## **REQUIREMENT:**

**NAME A PRIMARY CARE PHYSICIAN**



# Healthy Tomorrows (continued)

(Non-Medicare Employees and Retirees Only)

<b>YEAR 2</b>
Single or Family coverage (all coverage tiers)
Applies to policyholder ONLY
Open Enrollment ONLY Selection April 1 – May 15, 2016
Benefit will be for Plan Year 2017

## REQUIREMENT :

1. NAME A PRIMARY CARE PHYSICIAN

2. REPORT ONLY

- BLOOD PRESSURE
- GLUCOSE
- CHOLESTEROL
- WAIST CIRCUMFERENCE



# Healthy Tomorrows (continued)

(Non-Medicare Employees and Retirees Only)

<b>YEAR 3</b>
Single or Family coverage (all coverage tiers)
Applies to policyholder ONLY
Open Enrollment ONLY Selection April 1 – May 15, 2017
Benefit will be for Plan Year 2018

## REQUIREMENT :

1. NAME A PRIMARY CARE PHYSICIAN
2. REPORTED VALUES MUST MEET THE FOLLOWING VALUES:
  - BLOOD PRESSURE  $\leq$  140/90
  - GLUCOSE  $\leq$  125
  - CHOLESTEROL  $\leq$  245
  - WAIST CIRCUMFERENCE REPORTED – NO VALUE REQUIRED

\*All reporting must be within 13 months of Open Enrollment dates.

A physician statement that one of more of these measures cannot be met will waive the requirement for that specific measure.

# **Penalty for Failure to Meet Healthy Tomorrows' Requirements**

(Non-Medicare Employees and Retirees Only)

- Additional \$500 annual deductible
- New employees will have existing deductible structure, but must comply during next open enrollment



#### PEIA Adult Annual Routine Physical and Screening Examination

You are entitled under the Patient Protection and Affordable Care Act (PPACA) to an annual primary care visit that is covered at 100% with no deductible, copayment or coinsurance.\* We recommend your Annual Routine Physical and Screening Examination be provided by your medical home physician. This visit includes the following:

- ☐ History & Physical to include:
  - Screening and counseling for
    - Alcohol and/or substance abuse
    - Blood pressure
    - Depression
    - Diabetes
    - Domestic violence
    - Nutrition
    - Obesity
    - Physical activity
    - STD prevention
    - Other health risk factors as appropriate and provided for by PPACA
  - Review of medications
- ☐ Blood Work to include:
  - General Health Panel
  - Lipid Panel
- ☐ Immunizations as recommended by the American Academy of Family Physicians

**Any additional services, including lab work, diagnostic testing and procedures, that are provided to you during this visit will be subject to your deductible, coinsurance and copayments. This may result in additional out-of-pocket costs!**

#### To the Provider:

- Bill one of the following codes for this visit:
  - 99381-99397 for the annual adult preventative care visit
- The most commonly used diagnosis codes for this visit are:
  - V70.0
  - V72.3-V72.31
- If you are CLIA certified, you may process labs in your office. You can bill the following for the lab work:
  - 80050 General Health Panel
  - 80061 Lipid Panel
- If you are not CLIA certified, labs must be performed and billed by CLIA certified provider.
- Bill appropriate immunization codes.

\*More details are available in the PEIA Summary Plan Description *What Is Covered* section.

# The Issue for 2016

## Recommended Benefit Revisions

- \$30 Million for active employees
- \$3 Million for Non-States
- \$4.5 Million for pre-65 retirees
- \$4 Million for Medicare retirees

## WV PEIA Financial Plan FY 2015 - FY 2019

	2015	2016	2017	2018	2019
Additional Employer Premium	\$ -	\$ -	\$ 75,000,000	\$ 41,000,000	\$ 43,000,000
Increase	0%	0%	16%	8%	7%
Local Fund Premium Increase	\$ (1,200,000)	\$ (3,000,000)	\$ 5,000,000	\$ 20,000,000	\$ 14,500,000
Increase	-1%	-3%	5%	17%	11%
Employee Premium	\$ (5,400,000)	\$ -	\$ 18,800,000	\$ 10,300,000	\$ 10,800,000
Increase	-4%	0%	16%	7%	7%
State Direct Transfer	\$ -	\$ -	\$ -	\$ -	\$ -
Managed Care Capitations	\$ 2,285,574	\$ 2,423,107	\$ 2,568,493	\$ 2,722,603	\$ 2,885,959
Increase	6%	6%	6%	6%	6%
Benefit Reductions/(Increase) SB-22 and Copay Changes	\$ (1,600,000)	\$ -	\$ -	\$ -	\$ -
Board Decision Benefit Reduction - Active State		\$ 30,000,000			
Board Decision Benefit Reduction - Active Local		\$ 3,000,000			
PPACA Reinsurance Contributions (Cost)	\$ (8,500,000)	\$ (5,400,000)	\$ (1,800,000)	\$ -	\$ -
PPACA Comparative Effectiveness Research Fees (Cost)	\$ (340,936)	\$ (328,161)	\$ (328,549)	\$ (328,988)	\$ (329,478)
Pay Go Premium Transfer	\$ 150,000,000	\$ 150,000,000	\$ 180,000,000	\$ 195,000,000	\$ 210,000,000
<b>Total Fund</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Beginning Reserve	\$ 230,780,559	\$ 189,835,134	\$ 147,235,192	\$ 137,830,507	\$ 143,212,419
Fiscal Year Results	(40,945,425)	(42,599,942)	(9,404,685)	5,381,912	9,831,594
Ending Reserve	189,835,134	147,235,192	137,830,507	143,212,419	153,044,013
Percent of Expenses	25%	18%	16%	15%	15%
<b>State Fund</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Beginning Reserve	\$ 181,276,974	\$ 143,483,142	\$ 108,566,250	\$ 112,201,905	\$ 120,252,233
Fiscal Year Results	(37,793,832)	(34,916,892)	3,635,655	8,050,328	8,368,863
Ending Reserve	143,483,142	108,566,250	112,201,905	120,252,233	128,621,096
Percent of Expenses	22%	16%	15%	15%	15%
<b>Local Fund</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Beginning Reserve	\$ 49,503,584	\$ 46,351,992	\$ 38,668,942	\$ 25,628,601	\$ 22,960,186
Fiscal Year Results	(3,151,592)	(7,683,050)	(13,040,341)	(2,668,415)	1,462,730
Ending Reserve	46,351,992	38,668,942	25,628,601	22,960,186	24,422,916
Percent of Expenses	38%	30%	18%	15%	15%
State Share	80%	80%	80%	80%	80%
Employee Share	20%	20%	20%	20%	20%
Growth In Program Expenses	2.8%	-0.1%	8.5%	6.9%	7.3%

## WV RHBT Financial Plan FY 2015 - FY 2019

	2015	2016	2017	2018	2019
Retiree Premium Increase	\$ -	\$ -	\$ 16,020,213	\$ 23,719,129	\$ 19,884,656
Increase	0%	0%	19%	24%	16%
General Revenue Transfer	\$ -	\$ -	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000
Board Decision Benefit Reduction - Retiree Non-Medicare		\$ 4,500,000			
Board Decision Benefit Reduction - Retiree Medicare		\$ 4,000,000			
Reinsurance Contributions (Cost)	\$ (850,000)	\$ (550,000)	\$ (200,000)	\$ -	\$ -
Comparative Effectiveness Research Fees (Cost)	\$ (38,451)	\$ (38,090)	\$ (39,246)	\$ (40,443)	\$ (41,682)
Pay Go Premium Transfer	\$ 150,000,000	\$ 150,000,000	\$ 180,000,000	\$ 195,000,000	\$ 210,000,000
Maximum Allowable Pay-Go					

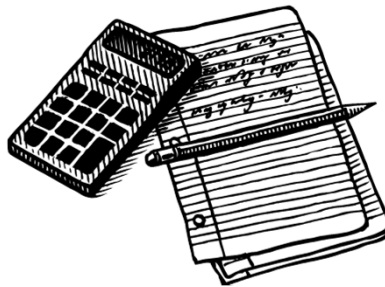
	2015	2016	2017	2018	2019
Beginning Reserve	\$ 691,270,999	\$ 716,909,696	\$ 733,917,987	\$ 802,786,168	\$ 885,516,212
Fiscal Year Results	42,422,513	47,335,060	78,521,551	83,087,841	88,565,035
Ending Total Reserve	716,909,696	733,917,987	802,786,168	885,516,212	974,081,246
Ending Premium Stabilization Reserve	\$ 40,337,937	\$ 10,011,167	\$ 357,797	\$ -	\$ -
*Actuarial Accrued Liability	\$ 3,585,500,000	\$ 3,743,700,000	\$ 3,899,600,000	\$ 4,044,600,000	\$ 4,181,000,000
Funded Status	20.0%	19.6%	20.6%	21.9%	23.3%
Growth In Program Expenses	8.7%	5.3%	9.2%	9.8%	10.4%
Retiree Subsidy	\$ 190,278,145	\$ 204,995,816	\$ 215,555,868	\$ 222,555,420	\$ 238,557,504
Percent Paid By Retiree	29.8%	28.3%	31.0%	35.2%	37.2%

\* Estimated Result

# YOUR JOB

## TELL US HOW

## YOU WANT IT TO HAPPEN!!



<https://www.surveymonkey.com/s/PEIA2016>

## Medical Plan Proposed Changes Active Employees and Non-Medicare Retirees

Understanding that you would prefer to see no changes, please use this page to tell us which of these medical benefit changes would be most acceptable to you. Mark your preferred changes in the first column, then put the plan savings in the TOTAL column. (RECOMMENDED AT LEAST \$15 MILLION IN MEDICAL PLAN SAVINGS)

✓	MEDICAL	CURRENT BENEFIT	PROPOSED BENEFIT	PROJECTED PLAN SAVINGS	TOTAL
	Increase <b>family</b> out-of-pocket maximum for PEIA PPB Plans A and D to twice the employee only amount	1.5 x employee only amount	2 x employee only amount	\$6.75 million	
	Increase deductible by \$25 and \$50	Salary based	Current deductible + \$25 employee only Current deductible + \$50 family	\$2.0 million	
	Increase deductible by \$50 and \$100	Salary based	Current deductible + \$50 employee only Current deductible + \$100 family	\$4.2 million	
	Increase Primary Care Office Visit copayment	\$15 Copay	\$20 Copay	\$1.3 million	
	Increase Specialist Office Visit copayment	\$25 Copay	\$40 Copay	\$4.4 million	
	Add \$100 copay to deductible and 20% coinsurance for inpatient hospital care	deductible + 20% coinsurance	\$100 copay + deductible + 20% coinsurance	\$1.3 million	
	Increase outpatient surgery copay to \$100	\$50	\$100 Copay	\$2.1 million	
	Increase emergency room copay to \$100 with no discount	\$50 copay emergency \$100 copay non-emergency	\$100 Copay	\$0.6 million	
	Increase Urgent Care copay to \$50	\$25	\$50	\$1.0 million	
	Stop covering massage therapy	Covered at 80% after the in-network deductible and \$10 or \$25 copayment are met.	None	\$0.6 million	
	Stop covering impacted wisdom teeth	Medically-necessary extraction of impacted teeth is covered at 80% in-network after the \$500 copayment and deductible are met.	None	\$0.2 million	
	Add \$100 copay to deductible and 20% coinsurance for genetic testing	Deductible + 20% coinsurance	\$100 copay + deductible + 20% coinsurance	\$0.1 million	
	Reference Based Pricing	N/A		\$2.4 million	
Calculate your total savings by adding up the savings from all your selected proposed medical benefit changes ("Total" column = Recommended \$15 million)					

## Prescription Drug Plan Proposed Changes

Understanding that you would prefer to see no changes, please use this page to tell us which of these drug program changes would be most acceptable to you. Mark your preferred changes, then put the plan savings in the TOTAL column. (RECOMMENDED AT LEAST \$15 MILLION IN PRESCRIPTION DRUG SAVINGS.)

√	PHARMACY	CURRENT BENEFIT	PROPOSED BENEFIT	PROJECTED PLAN SAVINGS	TOTAL
<b>Proposed Generic Drug Benefit Changes (Choose only one)</b>					
	<i>Increase Generic Drug Copay</i>				
	30 day supply	\$5	\$10	\$10.7 million	
	90 day supply (maintenance only)	\$10	\$20		
	<i>Charge 20% coinsurance for Generic drugs minimum/maximum cost share</i>			\$4.3 million	
	30 Day	\$5	20% (\$5 min/\$25 max)		
	90 Day (maintenance only)	\$10	20% (\$10 min/\$50 max)		
<b>Proposed Preferred Brand Drug Benefit Changes (Choose only one)</b>					
	<i>Increase Preferred Brand Drug Copay</i>				
	30 day Supply	\$15	\$25	\$3.5 million	
	90 Day Supply (maintenance only)	\$30	\$50		
	<i>Charge 20% coinsurance for Preferred Brand drugs with minimum/maximum cost share</i>			\$6.5 million	
	30 day supply	\$15	20% (\$15 min/\$50 max)		
	90 day supply (maintenance only)	\$30	20% (\$30 min/\$100 max)		
	<i>Charge 30% coinsurance for Preferred Brand drugs minimum/maximum cost share</i>			\$7.7 million	
	30 day supply	\$15	30% (\$15 min/\$50 max)		
	90 day supply (maintenance only)	\$30	30% (\$30 min/\$100 max)		
<b>Proposed Maintenance Drug Benefit Changes</b>					
	<i>Discontinue discount for 90-day supply of Generic maintenance drugs</i>			\$2.2 million	
	30 day supply	\$5	\$5		
	90 day supply (maintenance only)	\$10	\$15		
	<i>Discontinue discount for 90-day supply of Preferred Brand maintenance drugs</i>			\$1.5 million	
	30 day supply	\$15	\$15		
	90 day supply	\$30	\$45		
Calculate your total savings by adding up the savings from all your selected proposed plan changes ("Total" column = Recommended \$15 million)					

## Medicare Retiree Ideas

### Alternate Benefit Pricing Impacts – Standard Plan

Understanding that you would prefer to see no changes, please use this page to tell us which of these medical benefit changes would be most acceptable to you. Mark your preferred changes in the first column, then put the plan savings in the TOTAL column. (RECOMMENDED AT LEAST \$4 MILLION IN MEDICARE RETIREE SAVINGS)

	Benefit	Current Benefit	Proposed Benefit	Projected Savings	Total
	Increase deductible by \$75 per person	\$25	\$100	\$1.8 million	
	Increase deductible by \$100 per person	\$25	\$125	\$2.4 million	
	Increase Out-of-Pocket Maximum by \$250 per person	\$750	\$1,000	\$0.5 million	
	Increase Out-of-Pocket Maximum by \$450 per person	\$750	\$1,200	\$0.9 million	
	Increase copayment for office visits PCP/Specialist	\$10/\$20	\$20/\$40	\$2.0 million	
	Increase Inpatient Hospital copayment by \$50	\$100	\$150	\$0.1 million	
	Increase Inpatient Hospital copayment by \$100	\$100	\$200	\$0.38 million	
	Increase Outpatient Surgery copayment by \$50	\$50	\$100	\$0.3 million	
	Add Premium Increase			\$4 million	
	Add Premium Increase			\$2 million	
	Calculate your total savings by adding up the savings from all your selected changes ("Total" column = Recommended \$4 Million )				



# Public Comments

1.

Please state your name, and your relationship to the PEIA plan (Employee, Employee Representative, Physician, Legislator etc...).

- Please make your comments when called upon and at the microphone so that an accurate representation of your comments can be captured for the board.
- **In the interest of full participation, you are limited to FIVE (5) minutes per speaker.**
- Questions may be addressed at the conclusion of all public comments.
- Thank you in advance for your cooperation.

---

# THANK YOU!

Send written comments to:

Public Comment

West Virginia Public Employees Insurance Agency

601 57<sup>th</sup> Street SE, Suite 2

Charleston WV 25304

or

[peia.help@wv.gov](mailto:peia.help@wv.gov)

or

<https://www.surveymonkey.com/s/PEIA2016>